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Harvesting wheat, Morocco

Maghreb Grain Output Down

U.S. Exotic Cattle Imports

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Harvesting wheat in Morocco, one of the Maghreb countries experiencing lower 1975 grain production as a result of drought earlier this year. See article beginning this page.

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Rains help, but

Maghreb Grain Crops Decline —Import Needs on the Rise

By HERBERT H. STEINER
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THE DROUGHT that hit North Africa in December 1974 and January 1975 has not brought the crop failure that was first feared. Adequate well-spaced rains in March, April, and May without the usual hot weather caused a late but normal grain development in northern Tunisia and in some parts of Morocco and Algeria.

Still, total grain production is well below normal, pushing wheat import needs of the three Maghreb countries substantially above the 2.8 million tons imported in 1974/75. The U.S. share of that import was 1.2 million tons valued at $240 million—a level that could more than double to 2.5 million tons in 1975/76.

Wheat has been an important crop and the staple food in North Africa for 2,000 years or more, and before the population explosion of recent years, North Africa actually exported wheat. Since the 1950's, production has increased steadily but so have imports. For instance, even in 1972, a record year with a wheat crop of almost 5.3 million tons, imports of 1.4 million tons were required.

Morocco and Algeria both have the potential for producing much more wheat but are not likely to reach a higher plateau of production in the next few years. Tunisia's potential is limited because of its small area.

Morocco. The midwinter 1974/75 drought damaged crops in Morocco's south, cutting total 1975 grain output to perhaps 2.3 million tons from the 4.6 million of 1974. While only half the 1974 level, this is well above the reduced outturn—a third of the 1974 crop—predicted earlier. And the current estimate is viewed as conservative since damage to the all-important wheat crop was less than expected, and the spring-sown corn crop will be excellent. Corn output—normally around 400,000 tons—may rise to 450,000 this year.

Barley—generally planted on poor soils and in areas of uncertain rainfall where the risk is too great for wheat—was the big loser, plunging to only about 1.2 million tons in 1975 from 2.4 million in 1974.

Wheat was also damaged, but not as much as orginally expected. The current estimate is 1.25 million tons, for a decline of 32 percent from the 1.85 million produced in 1974. But production would have fallen much more if weather had followed the usual pattern. In many areas, for instance, effects of the drought were tempered by subsequent rainfall, and grain kernels were able to develop because the weather remained cool through May. As a result, the crop was 3 weeks late, but otherwise normal in many areas. (A late crop is usually dried out by hot May weather, which prevents full development of the kernels.)

Morocco may thus have to import 1.5 million tons of wheat in 1975/76, a 50 percent increase over the 1 million tons imported in 1974/75. The U.S. share of this trade may rise from the 424,000 tons of 1974/75 to 1.2 million tons, but the final amount will depend on offerings under P.L. 480 or with CCC credit.

MOROCCO HAS 9.9 million acres in winter grains—half in wheat and half in barley. Durum accounts for three-fourths of the wheat; bread wheat, the balance. The wheat is planted in November, December, and January, but it is a type similar to the spring wheat of the United States and Canada. Average yields in Morocco are about 13.5 bushels per acre but have ranged as high as the 19 bushels per acre achieved in the record year of 1968.

Demonstration plots in diverse regions of Morocco have yielded from 38 to 45 bushels per acre, but efforts to achieve such yields on a large scale have not been successful in spite of the

introduction of high-yielding varieties such as the new Durums Niasna and Mouline and the availability of fertilizer on subsidized terms.

One reason for these lagging yields is the difficulty in reaching the thousands of small farmers, or *fellaheen,* who produce wheat and barley primarily for family consumption, using traditional methods without fertilizer or improved seed. This lack of inputs has been perpetuated by the Government policy of subsidizing consumer prices of bread, sugar, edible oil, and dairy products: The consumer pays less than the cost of imported wheat and Moroccan farmers receive less than world market prices.

In 1974, producers received $157 per ton for Durum and $150 per ton for bread wheat, compared with world prices of $280 and $213, respectively. Such prices discourage maximum production since the returns do not justify the risk of using expensive inputs.

Morocco's population is growing by 400,000 a year, which at the current per capita grain consumption of 475 pounds, creates a need for 86,000 tons more each year. Thus even with substantial increases in production, yearly imports of 500,000 to 1 million tons and more will probably be required for the foreseeable future.

Algeria. This country also had a winter drought, followed in most areas by adequate rains in February, March, April, and May. Rain and cool weather through May delayed maturity and allowed the grain kernels to continue to grow at a time when heat would ordinarily have stopped further development. The Setif and Constantine areas in eastern Algeria were hit hardest by the drought, while western Algeria was most affected by weed infestation, a growing problem in recent years.

The result is a 1975 wheat production for all of Algeria that is only about 1 million tons, or 70 percent of a normal 1.5-million-ton crop. Wheat consumption is estimated in the range of 2.5-3.0 million tons, leaving a gap of 1.5-2.0 million tons to be filled by imports. From June 1974 through July 1975, Algeria imported 1.5 million tons of wheat, 640,000 from the United States.

Algeria has 4.9 million acres of excellent wheat land, another 4.9 million of good wheat land, and 2.5 million of marginal wheat land. Of the total 12.3 million acres, about 7.4 million are planted in wheat and barley and 4.9 million are left in fallow each year. During 1970-73, the average yield for wheat and barley was 650 kilograms per hectare, or roughly 2 million tons from 7.4 million acres. Subtracting 500,000 tons of barley and oats leaves 1.5 million tons as the normal annual wheat production in Algeria for the 1970-73 period. Even though this average includes the record 1972 cereal crop of 2.5 million tons, yields were only about 9 bushels per acre, far below the targets set by the 1970-73 and 1974-75 development plans.

Barley is stored in a field in the Medjerda Valley of Tunisia, where barley was the main crop to suffer from the drought of this past winter.

ALGERIA is cooperating with the International Center for Development of Corn and Wheat (CIMMYT) in an attempt to improve this low production level. A large number of new varieties are being tested. Twenty-five percent of the bread wheat consists of high-yielding varieties. New varieties of Durum are also being planted since Durum makes up 70 percent of wheat production.

CIMMYT is also introducing the Australian forage legume Medicago to take the place of fallow. Medicago follows the wheat and besides providing forage for livestock, adds nitrogen to the soil. If the plowing is not done too deeply, Medicago reseeds itself after a year of wheat.

In the last 4 years, Algeria has also quadrupled the amount of fertilizer used on wheat.

But all these efforts have not increased production as planned. Part of the problem is the structure of Algerian agriculture. In 1971, 72 percent of the Durum and barley was produced by a private sector that consisted largely of thousands of small farmer producing primarily for home use.

One of the objectives of the agrarian revolution in Algeria was to get these small farmers to use modern production methods by organizing them into cooperatives. These cooperatives were to finance expensive inputs and provide technical instruction. This radical change in the production style, begun in 1972 and still going on at present, will depress production at least until the new system has successfully worked out.

About 1,600 State farms now occupy the best land. They produced 64 percent of the bread wheat but only 28 percent of the Durum and barley in 1971. These farms are run by a management commitee elected by the workers, but in effect the important decisions are made by bureaucrats in Algeria, with little delegation of powers or fixation of responsibility. The people who work the farms until recently were paid their salaries regardless of production.

Farm machinery is more than ample, but with the diversity of makes and models from many countries, replacement parts are often unavailable. Many tractors are laid up because of lack of parts.

Also, some of the "self-managed" farms have not had enough working

capital to adequately finance current operations. The farm technicians receive training only in agronomy, not management.

In an attempt to remedy some of these shortcomings, the Government reformed the State or "self-managed" sector on March 20, 1975; there will now be increased freedom to choose what is to be planted, and the profits (if any) will go to the farmers not to the Government. The Government reportedly will no longer subsidize salaries of farmworkers regardless of the profitability, and the replacement parts problem is expected to be solved when a tractor assembly plant in Constantine and a farm implement factory in Sidi Bel Abbes open.

Algeria has the potential to produce substantially more wheat. The combined technical and structural changes should eventually improve the present low yields. But with population increasing at the rate of 3.2 percent per year, Algeria appears likely to require big wheat imports for the near future.

Tunisia. A fortuitous combination of moisture and temperature from February through May 1975 reversed the damage of the winter drought, resulting in cereal output this year of more than 1.1 million tons, about the same as in 1974.

Wheat production is estimated at 850,000 tons, compared with 810,000 in 1974. Most of the increase, has come from 500,000 acres of bread wheat, producing 230,000 tons. About 135,000 acres are in high-yielding wheat, largely Tunisian-bred variety, Soltane.

Although the 1975 Durum area declined from 2.45 million acres to 1.97 million, Durum production has risen slightly to an estimated 620,000 tons from 600,000 last year. High-yield Durum varieties, mostly Tunisian-developed INRAT-16, account for the increased yields. The area in high-yield Durum totaled 400,000 acres.

AS A RESULT, Tunisia will require imports of 275,000 tons of wheat from July 1975 through June 1976—about the same as in the previous year, when the United States supplied 164,000 tons.

Barley production of 230,000 tons in 1975 is down 30 percent from 1974's, with damage to the barley crop in the south partly offset by average yields in the central area. In 1974/75, Tunisia took 80,000 tons of U.S. feedgrains.

U.S. Exotic Cattle Imports Yielding Mixed Results

By ARTHUR F. HAUSAMANN
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IN THEIR search for a beef breed that meets changed production conditions and consumer preferences, some U.S. cattle producers have begun importing "exotic" beef-type cattle. At the same time, debate has flared over the potential value of these European-origin cattle to the U.S. livestock industry—a verdict still not in since performance tests on the animals so far have been inconclusive.

And imports of the animals will out of necessity remain small until completion of a new U.S. animal quarantine center, now on the drawingboard, that provides expanded holding facilities to meet stringent U.S. safeguards against introduction of foot-and-mouth and other livestock diseases into this country.

The exotics, so named because they are not common in the U.S. beef herd, are dual-purpose cattle originating in Europe. They include Charolais, Chianina, Gelbvich, Limousin, Maine Anjou, Simmental, and others and come largely from countries where foot-and-mouth disease (FMD) is endemic.

This compares with a U.S. beef herd made up largely of British breeds—Angus, Hereford, and Shorthorn—plus some Brahman cattle derived from Hindu Zebu cattle (Bos Indicus) and some breeds that are part Zebu and part British. The Brahman breeds and their crosses are found primarily in the hot and semitropical areas of the United States, whereas British breeds predominate in most other areas.

Since U.S. trade statistics do not list cattle imports by breed, the actual number of exotic cattle imported is not known. However, one census category shows imports of beef cows for breeding up from 1,400 head in 1970 to 3,024 in 1974—a time when all breeding cattle imports fell 50 percent. Exotic cows are part of this total.

Because of FMD—which is not present in the United States—cattle shipped from an FMD country cannot enter directly, but must first pass through the quarantine system of a country that has been declared free of the disease. The result is that cattle from countries with FMD require about 1 year of processing. Second-generation exotics born in FMD-free countries require less processing.

These requirements have limited U.S. exotic cattle suppliers to a handful of FMD-free countries, including Canada, the United Kingdom, Norway, Sweden, and Ireland.

Canada is the only one of these that can ship exotic cattle directly to the United States without first going through at least a 30-day quarantine at the U.S. port of entry. Cattle born in the Republic of Ireland and Northern Ireland must first go through the minimum 30-day U.S. quarantine. And those from most other approved FMD-free countries are subject to 60 days of quarantine, the last 30 in the United States.

Cost of such procedures is high. For example, it costs about $65,000 to import 60 head of cattle from Sweden—and this does not include the purchase price or transportation cost.

Canada's position as the only direct supplier of exotic cattle to the United States has led it to establish an exotic cattle breeding industry and, in turn, to protect the industry via strict requirements on the importation of exotic cattle. Veterinarians from the Health of Animals Branch of Agriculture Canada, for instance, directly supervise all health tests and quarantine procedures for exotics, both in Canada and the country of origin.

But because it considers the animals to be a national resource, the Canadian Government also restricts exports of exotic cattle purchased from FMD-infected countries. Of the small number allowed to enter the United States, most are Canadian-born progeny of the original imports. Shipment of semen

is the preferred trade avenue, and a number of exotic bulls imported into Canada are now in bull stud for semen exports to the United States.

Almost all of the exotics shipped to this country from Canada, with the exception of Canadian-registered Charolais, are part purebred and thus do not qualify for the duty-free import privileges granted purebred cattle in the U.S. Code of Federal Regulations. (Canadian-registered Charolais was recognized on August 1, 1975, and Maine Anjou is now in the process of being recognized.) The resulting import duties, of course, increase the import costs of such animals.

Another—and even more expensive—means of introducing exotic cattle into the United States is through purebred embryo transplants. Under this procedure, U.S. cows are sent to Canada to receive the transplant and are then returned to the United States. This operation, also performed on cattle in the United States, cost about $4,000 per calf—an expense justified by the high value of the resulting calf.

A MAJOR bottleneck to all trade in exotics is the prolonged U.S.-based quarantine often required and the lack of facilities to carry it out. Currently, there is only one large U.S. quarantine station, located in Clifton, New Jersey, and it can handle only 150 head of cattle at a time. Zoo animals are also processed through this station.

A new quarantine station in the Florida Keys is now in the planning stage. If everything goes as scheduled, Flemming Key Animal Import Center will be in operation some time after December 1977. It will be able to house 400 head of imported cattle brought directly from FMD-country quarantine stations. With the quarantine periods lasting about 5 months, the facility will be able to handle 800 head of exotic cattle yearly.

(Anyone wishing to import exotic cattle should contact the Animal and Plant Health Inspection Service in Washington, D.C., for the full details because each situation is slightly different and a number of procedures are involved.)

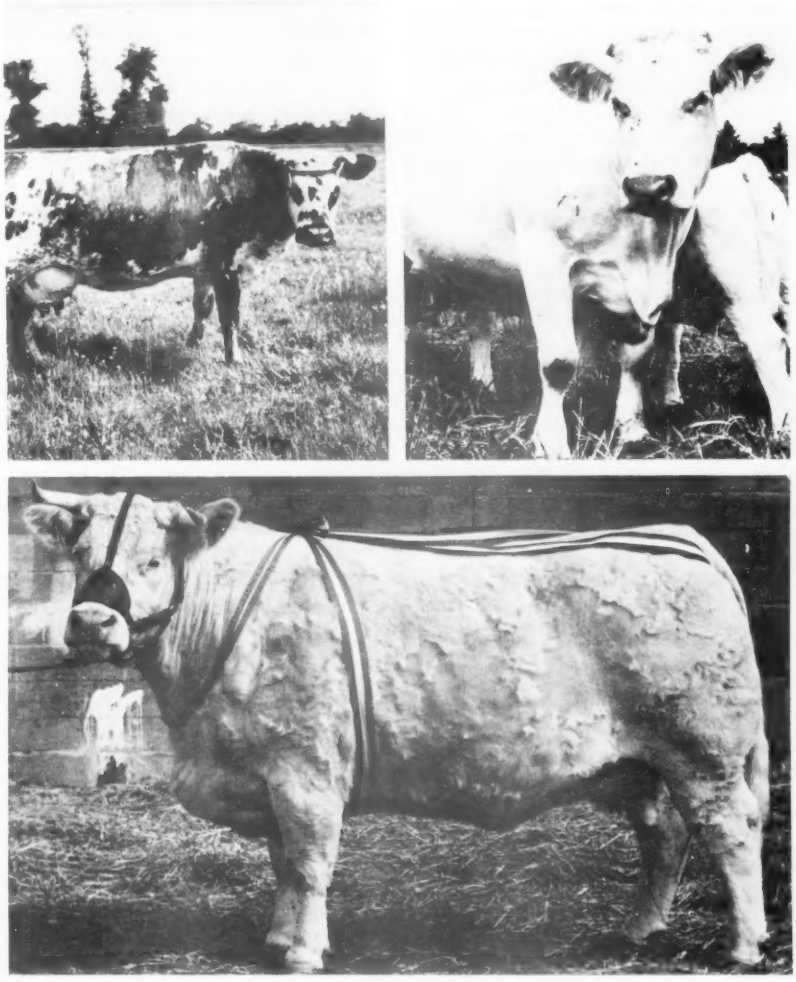
Although exotic cattle have not yet been fully tested, some limited ideas as to their characteristics can be given. At Clay Center, Nebraska, for instance, English and exotic bull semen was used on Angus and Hereford cows. The part-purebred exotic calves had higher death rates from both 2-year-old and older cows than death rates among purebred Angus and Herford calves. The part-exotic calves were, however, about 50 pounds heavier at weaning. Also, as steers, they were slightly more efficient in feedlots trials, and their carcasses produced a greater percentage of boneless beef.

On the other hand, while the part-exotic steers yielded more meat, the meat graded lower in quality. The average quality grade for the part exotics was High Good, while the British breeds averaged Low Choice. Some of the British steers reached Low Choice at 212 days on feed but only one group of exotics reached Low Choice—and after 280 days on feed.

Meat from the part-exotic animals was rated, on average, less tender, than that from the British breeds, but overall the acceptability was about the same for both types of meat.

Fertility tests revealed that the part-exotic heifers reached reproductive maturity at a later age. Similar results were obtained from tests conducted in Europe on exotic bulls and Holstein cows and from tests on pure exotic cattle.

What future exotic cattle have in the United States will be determined when full tests under all conditions are completed. If the favorable characteristics outweigh the unfavorable, there may one day be a different type of animal on the range and a different cut of meat on the consumer's table.



Some of the exotic breeds being imported into this country, clockwise from top left: A Normandy dairy cow, a Charolais cow and calf, and a prize-winning Charolais at a French livestock show.

Soviet Grain Harvest Lags, Production Estimate Lowered

THE SOVIET UNION'S 1975 grain harvest got off to an unusually early start last spring, but fell considerably behind schedule in September. The grain area cut by mid-September of this year lagged about 6 percent—6-7 million hectares (1 hectare=2.471 acres)—behind that achieved by the same time in 1973 and 1974. USDA has lowered its estimate of the 1975 Soviet grain crop to 170 million metric tons.

By September 22, 1975, collective and State farms had cut 103.6 million hectares of small grains and pulses into windrows—84 percent of the total area destined for harvest. Of the area cut by that date, 101.5 million hectares had already been picked up and threshed.

The Soviet grain harvest report for September 29 did not contain a figure on the total area of grain cut, suggesting that the harvest is drawing to a close. However, about 5 million hectares remain to be cut in Siberia and Kazakhstan.

The lag in grain cutting this year is probably due to both unfavorable harvesting weather and abandonment. The harvest began sooner than usual because of an early spring and hot, dry weather over important agricultural areas. Harvesting started about mid-June in the south of European USSR, several weeks earlier than normal, and continued ahead of the rate realized in recent years until mid-August.

Harvesting has been delayed somewhat by heavy precipitation during September in parts of northern Kazakhstan and western Siberia. Rather large areas sown to grain in regions seriously affected by drought have probably been abandoned—instead of being cut for grain, they were used for other purposes such as livestock grazing.

Abandonment in 1975 has been estimated at 10-15 million hectares, roughly a tenth of the total grain area for harvest. On September 8, when 93 million hectares of small grains and pulses had been cut, about 7 million hectares in western Siberia and 10 million in northern Kazakhstan apparently remained to be cut. Grain harvesting had largely been completed in other regions of the Soviet Union.

The addition of these 17 million hectares in western Siberia and northern Kazakhstan to the 93 million already cut would bring total 1975 area cut to 110 million hectares. This is 13 million hectares short of the area occupied by small grains and pulses on collective and state farms this year, which account for about 95 percent of all Soviet grain acreage.

The impact of 10-15 million hectares of abandonment on the total size of the Soviet harvest is probably minimal. The areas abondoned undoubtedly would have produced little grain.

The area of small grains and pulses laying in windrows on September 22 was 2.1 million hectares, somewhat less than the area still in windrows at that time in 1971 and 1974, and only 20-25 percent as much as in 1972 and 1973. During most of the 1975 harvest, the time between the grains' cutting into windrows and their subsequent pickup and threshing has been less than in previous years.

The level of abandonment this year apparently is higher than that of 1972, the second highest in the past 5 years.

—By FLETCHER POPE, JR., ERS

GDR's Feed Needs Increasing

EAST GERMANS are eating more meat and fewer potatoes than in the 1960's, and consequently will require increasingly larger quantities of feed to support the country's expanding livestock numbers, according to a new report of the USDA Economic Research Service, "The Feed-Livestock Economy of East Germany: Prospects to 1980," by Thomas A. Vankai (Foreign Agricultural Economic Report 110).

Per capita consumption of meat (including beef, veal, pork, mutton, and poultry) in the German Democratic Republic (GDR) was about 156 pounds annually in 1972, and is projected to increase to about 183 pounds by 1980. Potato consumption, on the other hand, is expected to decline from 195 to 165 pounds per person in the same period.

Meat consumption in the GDR thus could increase about 2.3 percent annually to 1980, based on the rising trend of per capita income and stable food prices. Meat production is expected to keep up with demand, assuring self-sufficiency in livestock products. Human consumption of cereals as well as potatoes is expected to decline.

The GDR's total feed consumption in grain equivalent may rise about 1.9 percent annually, but production of grain and oilseeds will not catch up with consumption. Annual concentrated feed imports in grain equivalent, which averaged 2.8 million metric tons in 1966-70, are projected to increase to 3.7 million tons by 1980, ignoring reexports and stockpiling.

Protein meal imports by the GDR are projected to rise from 800,000 to close to 2 million tons. Net grain imports, however, may decline from 2 million to 1.75 million tons, but this relationship could deviate from the projection, depending upon relative prices of meal and grain.

The share of concentrates in total feed consumption will rise from 36 percent in 1966-70 to 42 percent by 1980. The share of oilmeal in total concentrates fed will increase from 15 to 22 percent. Use of grain for feed wil rise 2.5 percent a year and that of protein meal 6.5 percent.

The USSR has been the dominant supplier of imported grain to the GDR, and West Germany has supplied most of the imported oilmeals. U.S. grain exports to the GDR reached about 300,000 tons a year during 1966-70. About the same amount of grain was reexported to West Germany, probably to West Berlin.

It is expected that grain imports by 1980 will mostly be corn, of which the United States will remain a competitive supplier. Soybean meal, currently supplied by West Germany principally from meals processed from U.S. soybeans, may be purchased directly from the United States by 1980.

After the present contracts between the GDR and West Germany expire,

East Europe's Imports Of U.S. Grain To Soar

THE UNITED STATES' grain exports to the Germany Democratic Republic (GDR), Poland, and Rominia in 1975/76 may be nearly five times more than last year's. U.S. shipments are expected to reach 7.2 million metric tons, compared with 1.6 million tons in 1974/75.

Grain imports by the three countries are forecast at 9.6 million tons—2.5 million more than last year's—according to indications in late September. Very little, if any, imports are anticipated from the USSR, the area's usual main grain supplier, because of the Soviet's disappointing 1975 grain crop.

Grain production in the GDR and Poland is down from last year's record crops by about 10 percent. The dry conditions that reduced yields have, however, insured better than average quality. The same holds true for the potato crop, an important feed component in both countries.

In Romania, the crop situation is a little less defined since the corn harvest is not yet completed. It seems certain, however, that this year's outturn will be slightly less than the two previous poor crops. For the three countries, 1975 grain production will be about 40 million tons, 3 million less than last year.

In **the GDR,** 1975 grain production is 8.2 million tons, about 10 percent below last year's record crop, with the reduction spread equally between wheat and coarse grains.

The GDR has already purchased 1.2 million tons of wheat and 1.5 million tons of corn from the United States for 1975/76 delivery. Purchases to date from non-U.S. sources are believed to be minimal.

The 27 million tons already purchased from the United States would normally equal total grain import needs, but this year's poorer-than-expected crop will make additional purchases necessary.

The GDR requires high-protein wheat imports for blending purposes. Canada is not a supplier at present, perhaps because it has only recently established diplomatic relations with the GDR. The USSR appears to be out of the picture this year, although discussions on grain supplies with the Soviets apparently are not yet over.

The GDR's Durum import requirements are about 100,000 tons; 86,000 tons have already been purchased from the United States. The United States is also virtually the only corn supplier since South Africa is not a trading partner, the European Community (EC) has negligible corn export supplies, and no corn is expected from Argentina.

Poland's grain production this year is about 19.6 million tons, 2 million tons less than last year's record outturn. As in the GDR, the reduction is spread equally between wheat and coarse grains. Poland's grain imports will probably be at least 5 million tons in 1975/76, compared with 3.6 million tons in 1974/75.

Poland has already purchased 900,000 tons of U.S. wheat and reportedly may buy about 200,000 tons more, for delivery in 1975/76. Purchases of wheat during 1975/76 from other sources (Canada, Sweden) may reach 400,000 tons, for a total from all origins of 1.5 million tons of wheat imports.

About 60,000 tons of Durum are required. Half the Durum has already been purchased from the United States, which will probably also supply the remainder.

Poland's 1975/76 feedgrain import requirement is estimated at 3.5 million tons. Poland's present import commitments of almost 1 million tons of corn and 150,000 tons of barley and sorghum from the United States, and 1 million tons of barley from optional origins (probably Canada and the EC) will cover its feedgrain import needs until late in the season.

Further purchases of feedgrains during 1975/76 may total around 1 million

Continued on page 12

West Germany, by obligation to other European Community countries, probably will not be able to maintain completely its preferential treatment of the GDR. Also, trade relations between the United States and the GDR are expected to improve.

The U.S. share of the GDR's grain and oilmeal imports will rise. U.S. agricultural exports to the GDR rose steadily from $1 million in 1960 to nearly $30 million in 1968, including transshipments through West Germany, the Netherlands, and Canada. The value of exports leveled off in 1969 and 1970, but thereafter resumed its upward trend, passing $100 million in 1973.

Future U.S. grain exports to the GDR will depend in their availability from other sources and on U.S. competitiveness in prices and credit terms. They will also depend on whether the USSR decides to retain its position as major supplier of grain to the GDR.

The United States will remain the principal source of the GDR's imports of soybeans, either directly or indirectly. The GDR has, occasionally bought U.S. meal, and is a regular indirect buyer of meal processed from U.S. soybeans in West Germany or the Netherlands.

MAJOR GRAINS:[1] THE GDR, POLAND, AND ROMANIA—JULY-JUNE BASIS
[In thousand metric tons]

Country	Production	Imports	Exports	Apparent disappearance[2]
GDR				
1972/73	8,157	3,547	317	11,387
1973/74	8,226	2,500	310	10,416
1974/75[3]	9,130	2,750	275	11,605
1975/76[4]	8,200	3,000	200	11,000
Poland				
1972/73	19,268	2,523	216	21,575
1973/74	20,466	3,380	494	23,352
1974/75[3]	21,465	3,646	310	24,801
1975/76[4]	19,550	5,000	300	24,250
Romania				
1972/73	16,872	344	932	16,284
1973/74	13,758	590	200	14,148
1974/75[3]	13,168	775	200	13,743
1975/76[4]	12,900	1,600	200	14,300

[1] Includes wheat, rye, barley, corn, surghum, and oats. [2] Includes changes in stocks.
[3] Estimated. [4] Projected.

Food shows planned

Caribbean Islands Offer Farm Export Opportunities

By EDWARD C. COLLINS
Export Trade Services Division
Foreign Agricultural Service
and ELMER C. CLOSE
Division of Marketing
Florida Department of Agriculture

THE SUN-DRENCHED islands of the Caribbean—vacation paradise for many Americans—also offer sizable export opportunities for a number of U.S. farm products, according to a recent market survey. Yet few of the food trade opportunities are directly linked to the important tourist industries, the survey found. Most center on unfinished bulk products—wheat, corn, red meat, poultry meat, and livestock and poultry feed ingredients—to be processed, repackaged, and frequently reexported to neighboring countries.

The market survey—focused on Jamaica, Barbados, and Trinidad-Tobago—identifies U.S. farm products that are or could be top sellers in these countries. Rapid inflation, unemployment, and foreign exchange shortages, the survey pointed out, underlie the preference for importing needed bulk products. Reflecting this policy, an increasing list of processed foods are subject to restrictive import controls, while new manufacturing companies in these areas enjoy tax and duty concessions.

As a result of these findings, two food shows—the first ever to feature only U.S. bulk food products for further processing—are planned for early 1976. The first will be held in Port-of-Spain, Trinidad, on January 27-28; the second will be at Kingston, Jamaica, February 3-4. Both are sponsored by the Foreign Agricultural Service.

The U.S. food shows, to be held in large hotels, will be aimed mainly at commercial food processors, not only in the host countries, but those from surrounding Caribbean markets. The Jamica food exhibit, for example, will likely be attended by importers of bulk food products from the Dominican Republic and Haiti. The Trinidad exhibit will strive to draw importers from the Netherlands Antilles, Surinam, Barbados, the Leeward and Windward Islands, and other southern Caribbean countries.

U.S. firms interested in displaying agricultural products for processing or packaging—particularly those identified as having high sales potential in these areas—are invited to contact the Export Trade Services Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250 or telephone (202) 447-7777, before November 1, if possible. Single copies of the Carribean Food Study are also available on request from the Division, free of charge.

A number of factors identified in the market survey are likely to work to the advantage of U.S. food exporters to these island nations. All are food-deficit, for instance, and likely to remain so. All are striving to increase the nutritional standards of their populations and provide employment, in some cases through food processing industries. Although populations are small, they are dense, and swelled by an annual influx of tourists half again as large as the native populations. Lastly, the nearby United States is a dependable, economical supplier of high-quality food, close enough so that transportation costs are competitive.

ON THE OTHER hand, the sunny outlook for U.S. farm trade with the Caribbean countries is overcast by some adverse factors. For one, trade restrictions abound and self-sufficiency goals predominate. Also, these countries are protective of their own industries, frequently restrict imports of finished products, and are committed to trading with other members of the Caribbean Common Market (CARICOM), when possible.

Together, these three island countries took over $140 milion worth of U.S. agricultural products in 1974, with the shares of consumer-ready foods ranging from 8 percent of the total in Trinidad-Tobago to 18 percent in Jamaica to 38 percent in Barbados. Although the combined populations of the three nations surveyed total just 3.25 million, programs to process and reexport imported foods could broaden the market considerably. Jamaica and Trinidad are the top food processors of the Caribbean, supplying much of the processed food needs of other CARICOM countries.

Jamaica. Ninety miles south of Cuba, Jamaica is about the size of Connecticut, densely populated by over 2 million people. In 1974, it was the United States' second-best market in the Caribbean, behind only the Dominican Republic. By the same token, the United States was Jamaica's top supplier of agricultural products. Imports of U.S. farm products in 1974 peaked at $83 million, a 29 percent increase over 1973's with corn and wheat heading the import list.

Reflecting the Government's policy of importing raw products for further processing when possible, nearly 80 percent of Jamaica's agricultural imports from the United States last year fell in the bulk category. Still, consumer-ready items—mostly poultry and meat products and general grocery items—tallied a sizable $14.7 million.

Probably the single most important factor influencing Jamaica's imports is the country's chronically unfavorable balance of trade. The Government's aim is to spend as little as possible for imported consumer items in order to conserve foreign exchange.

To hold down food imports, Jamaica has embarked on a program to increase domestic food self-sufficiency. Filling domestic food needs, said one Government official, has higher priority than production of export crops. Nutrition improvement is another top Government priority—a commitment that may provide opportunities to increase U.S. exports of textured vegetable protein.

Another factor influencing Jamaica's emphasis on importing raw materials is the country's high unemployment rate, which in 1974 ranged from 20-30 percent. Underemployment is also high, particularly in seasonal tourist

and agricultural work. Thus, raw material imports not only conserve foreign exchange, but help create jobs in the processing and packaging industries.

As a member of CARICOM, Jamaica follows the general policy that no member country will import any agricultural product from outside the Caribbean Community when it is available from a member country. The Government's trade policies also encourage substituting domestic products for imported. Ketchup, for example is now produced from pumpkins, since Jamaica produces pumpkins in quantity, but must import tomatoes.

Jamaica controls food imports by means of import licenses and quotas on the dollar value of imports. Even within the quotas, however, licenses are difficult to obtain for importing ready-to-use food products. Conversely, raw products for use in the Jamaican food processing industry are imported duty free, and licenses are usually easy to obtain.

To cite an example, an importer of U.S. concentrated fruits—apples, pears, peaches, and apricots—would probably have little difficulty obtaining an import license, since these frozen concentrated fruits are processed into nectar and canned in Jamaica. Fresh or frozen vegetables for further processing are also freely imported, whereas canned vegetables encounter high tariff duties and other trade barriers.

These policies are relaxed somewhat, however, for consumer-ready goods to service the country's important tourist trade. But even for the tourist industry, importers are encouraged to use locally produced substitutes and at times are unable to import all they need.

Exporters of agricultural products to Jamaica should also be aware of the Government's increasing involvement in importing and processing. A Government-owned enterprise was recently opened to manage facilities for processing bananas, cassava, milk, and soybeans. Present plans call for the soybean crushing plant to begin operations about January 1976.

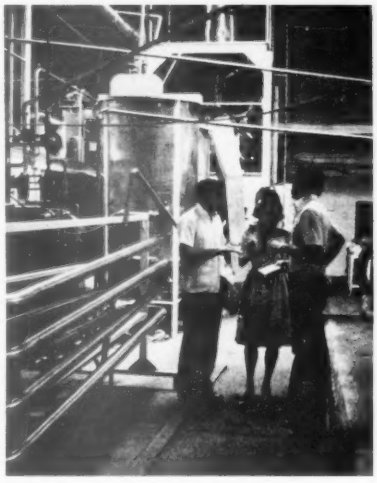
The Government company will also engage in bulk purchasing of grains and grain imports entering Jamaica, as well as deal in the international commodities futures market in hopes of protecting the economy from commodity price fluctuations. It will control purchases of imported wheat for resale to flour mills, import and supply feed ingredients to mixed feed producers, and purchase nonfat dry milk for resale to milk processors.

Continued on page 16

Caribbean Export Opportunities

The following items have been determined to have the greatest potential for export to the three Caribbean countries studied:

Vegetables for processing—fresh or frozen in bulk containers; corn, peas, diced carrots, lima beans, and cut green beans. Also in bulk, dry green peas, pea beans, and other dry beans and lentils.
Dehydrated vegetables.
Soybean products.
Edible oils.
Dairy products—cheese, milk-based products, and canned milk.
Wheat flour (except Trinidad), corn flour, and soya flour.
Potato products.
Frozen concentrated fruit—apples, peaches, pears, apricots, grapes, and cherries for use in processing into fruit drinks.
Meat and poultry—primarily high-quality beef for tourists, chicken parts, (except Trinidad), and pickled pork and other pork items. Also, bulk packed poultry meat—deboned, comminuted, diced chicken and turkey.
Peanuts—for processing into peanut butter and snack items.
Tomato paste in bulk for use in processing ketchup, sauces, beans, etc.
Deciduous fruits—apples, pears, and grapes (except Jamaica).
Tree nuts—pecans, almonds, and walnuts.
Dried fruit—especially raisins and prunes.
Bakery product ingredients.
Pet food.
Wine and beverage bases.



Farmers' market, top, in Port-of-Spain, Trinidad. Fruits and vegetables are processed in this facility in the Dominican Republic, center. Above, mushroom sorters in factory in Constanza, Dominican Republic.

Argentine Grain Output Down, But Prices Up, Outlook Good

By EDNA C. ACCARI
Office of U.S. Agricultural Attaché
Buenos Aires

A VARIETY of bad weather conditions during 1974/75 prevented Argentina's grain farmers from duplicating their unusually bountiful harvest of the previous year. The outlook is good for 1975/76, however—dramatically rising support prices for most grains should spur a strong recovery.

Argentina's production of wheat dipped 12 percent in 1974/75 (December- November), and corn and sorghum about 20 percent (April-March 1975/76), while combined 1974/75 output of rye, barley, and oats plummeted 44 percent.

The 1974/75 wheat harvest is estimated at 5.75 million metric tons, compared with 6.56 million in 1973/74. Despite the decline—the result of drought, frost, and drying winds in many growing areas—wheat exports in December-June 1974/75 more than doubled those of the same period a year earlier, totaling 1.16 million tons.

The export spurt was aided by considerable purchases by the Soviet Union (493,000 tons) and the People's Republic of China (100,000 tons), neither of which had purchased any Argentine wheat in 1973/74. Total 1974/75 (December-November) wheat exports, however, are expected to level off to 1973/74's tally of about 1.5 million tons.

Government support prices for wheat have risen steadily over the past year—from 98 pesos[1] per 100 kilograms of hard bread wheat a year ago to 360 pesos in mid-September 1975. Wheat growers, encouraged by the higher prices, have increased area for the 1975/76 wheat crop by 11 percent, to 5,745,000 hectares. Forecasts of the 1975/76 crop have gone as high as 7.7 million tons.

Durum wheat production fell 6 percent in 1974/75 to 400,000 tons, though output is expected to rally to 550,000 tons in 1975/76. Durum exports for 1974/75 were 216,000 tons, a 23 percent plunge from the previous year's.

Output of corn and sorghum was severely reduced by excessive rainfall and high temperatures. The 1975/76 (April-March) corn crop has been put at 7.7 million tons, a sharp drop from the 9.9 million tons produced the year before. Corn exports for 1975/76 are estimated at 3.55 million tons, 40 percent less than the previous year's.

Corn production in 1976/77, on the other hand, is expected to bounce back to about 9.3 million tons—induced by an average support price that has tripled in the past year.

"Government support prices for wheat have risen steadily over the past year—from 98 pesos per 100 kilograms of hard bread wheat . . . to 360 pesos."

Argentine corn growers who were guaranteed 90 pesos per 100 kilograms for the 1975/76 crop are enjoying support prices now as high as 270 pesos.

Production of sorghum is estimated at only 4.2 million tons for 1975/76, (April-March), 1 million tons less than the year before. Sorghum exports are also expected to drop a million tons, to 2.2 million in 1975/76.

The support price being paid for sorghum, like that for corn, is more than twice as high now as it was a year ago—climbing from 80 pesos per 100 kilos of the 1974/75 crop, to 215 pesos for this year's harvest. Sparked by the higher prices, sorghum output is expected to rebound to 5.1 million tons in 1976/77, a little less than the 1974/75 crop.

Like the wheat crop, rye, barley, and oats also suffered from drought during their growing season. Combined output fell to 1.06 million tons in 1974/75 (December-November), compared with 1.9 million in 1973/74.

Barley production plunged 41 percent to 430,000 tons; rye output, at 306,000 tons, was half that of 1973/74; and oats dropped 41 percent to 327,000 tons. Exports of the three grains sank to 130,000 tons—less than a third of the preceding year's shipments.

The only Argentine grains that did not suffer from the unfavorable weather were rice and pulses. Rice production for 1975/76 (April-March) is estimated at 227,500 tons (milled basis), 11 percent higher than 1974/75 output. Rice exports in 1975/76 are expected to hit 75,000 tons, a 25 percent increase over the amount shipped in 1974/75.

The outlook for the 1976/77 rice crop appears good, since the Government recently raised 1974/75 support prices—some are nearly double the previous year's. Both area and production are expected to expand by 15 percent next season, with output forecast at 262,000 tons (milled).

Pulse production climbed an estimated 17 percent in calendar 1975, to 167,000 tons. Exports of dry beans, which at 127,000 tons accounted for the bulk of pulse production, jumped by 50 percent, to 90,000 tons. Significantly, production of lentils and garbanzos shot up more than 45 percent.

Retail prices for all pulses have risen sharply over the past year, with increases ranging from 177 percent for dry peas to 51 percent for garbanzos. Pulse output for 1976 is forecast to surpass this year's by 15 percent.

Wheat production in 1975/76 will be boosted not only by increased acreage, but by improved yields. With favorable weather, a new strain of wheat, similar to Mexican wheat, could push yields as high as 1,600 kilos per harvested hectare, compared with 1,470 kilos in 1974/75.

The Government of Argentina increased the support prices for the 1975/76 wheat crop in an effort to maintain adequate income for producers and thereby ensure necessary wheat sowings. The most recent increases by the Ministry of Agriculture are part of a new policy of periodic adjustments designed to counterbalance rises in production costs.

[1] **One peso = 2.9 U.S. cents (commercial rate), as of late-August 1975; the average 1974 exchange rate was 1 peso = 20 U.S. cents.**

The new support prices—360 pesos per 100 kilos of bread wheat and slightly more for bread wheat from distant production zones—should stimulate a shift away from alternative land uses and thus expand grain production. Wheat production is becoming more remunerative than cattle raising, which could prompt many farmers to switch some of their pastureland to wheat.

In mid-July, the Argentine Government eliminated the subsidies granted by the National Grain Board to wheat, corn, sorghum, and sunflower sales for internal consumption. The subsidies had been designed to make these commodities available to the public at lower prices.

The elimination of the subsidies is the result of Government feeling that the items were being used for purposes other than those for which they had been subsidized.

For example, subsidized wheat flour was apparently used for manufacture of high-priced confectionary products, and balanced feed subsidized for breeding chickens was used for other animals whose production was not considered a top priority. The Government concluded that the benefits intended by the subsidies were not being applied to products consumed by the average working people.

The Government also complained that manufacturers who bought corn and wheat at subsidized prices were reselling the grain to the National Wheat Board at support prices, which were higher.

The Government said that had the subsidies been maintained, they would have cost 6 billion pesos this year.

The National Grain Board remains the exclusive marketing agent for all major grains sold in local and foreign markets. In late July, wheat prices at the Bolsa de Cereales in Buenos Aires were running 45 percent higher than those of a year ago—bread wheat climbed to 98 pesos per 100 kilos, from 67 pesos, and Durum hit 109 pesos, compared with 75 pesos in July 1974.

MAJOR ARGENTINE GRAINS

Commodity/ Year	Area harvested	Yield	Production	Exports
	1,000 hectares	*Quintals per hectares*	*1,000 metric tons*	*1,000 metric tons*
Wheat, total:[1]				
1973/74	3,850	17.0	6,560	1,548
1974/75	3,911	14.7	5,750	1,500
1975/76	4,625	16.0	7,700	3,650
Durum wheat:[1]				
1973/74	330	12.9	425	281
1974/75	290	13.8	400	216
1975/76	327	16.8	550	375
Corn:[2]				
1974/75	3,600	27.5	9,900	5,874
1975/76	3,070	25.1	7,700	3,550
1976/77	3,690	25.2	9,300	5,430
Sorghum:[2]				
1974/75	2,400	21.7	5,200	3,207
1975/76	2,470	17.0	4,200	2,200
1976/77	2,361	21.6	5,100	3,030
Rye:[1]				
1973/74	663	9.2	613	109
1974/75	344	8.9	306	20
1975/76	681	9.1	620	100
Barley:[1]				
1973/74	502	14.6	732	102
1974/75	352	12.2	430	50
1975/76	548	14.5	795	121
Oats:[1]				
1973/74	380	14.8	561	226
1974/75	253	12.9	327	60
1975/76	394	14.3	563	180

[1] December-November marketing year. [2] April-March marketing year.

The Bolsa de Cereales price for Flint corn for export in late July was 128 pesos per 100 kilos, nearly twice the year-earlier level. The grain sorghum market price nearly doubled, to 115 pesos from 58 pesos.

BUT IT IS the doubling of their support prices, rather than the improved market prices, that is encouraging Argentine corn and sorghum growers. Sowings of both grains are expected to rise this year—corn area by 6 percent, and sorghum by 4 percent.

Farmers might have expanded corn and sorghum acreage even further, but many probably fear a repetition of the excessive rains this past year that caused considerable crop damage. Argentina's limited storage capacity may be an additional factor.

Prices quoted at the Bolsa de Cereales in mid-July for barley, oats, and rye were all more than twice the prices paid the year before. Grain barley and rye were selling for 120 pesos per 100 kilos, compared with year-earlier prices of 49 pesos and 46 pesos, respectively. Oats cost 195 pesos, almost four times more than the 52 pesos asked the year before.

The support prices set for barley, rye, and oats did not rise in 1975, but this will make little difference to farmers —unlike other grains, these three commodities are under free market conditions. The rising market prices are expected to prompt area increases in 1975/76 of 6 percent for oats, 2.3 percent for rye, and 1 percent for grain barley.

ARGENTINA'S 1974/75 rice production totaled 350,000 tons on a rough basis, which makes it the second best crop since 1969/70, when rice output reached a record 407,000 tons (rough).

Argentina's calendar 1974 rice exports were 38,038 tons (milled basis), down 7 percent from the preceding year. The Netherlands took 38 percent of total exports in 1974, while Israel, the second largest purchaser, received 19 percent of total shipments.

The National Grain Board was the sole buyer-seller of the 1974/75 rice crop, although it occasionally invites the trade to participate in partial bids for exports. The Board accounted for 93 percent of calendar 1974 exports, and the trade the remainder.

Soviets Push To Reach 1975 Sugarbeet Goal

THE SOVIET UNION is making a big push to reach its 1975 sugarbeet production goal of 94 million metric tons. The Soviets increased the area and the amount of fertilizer devoted to sugarbeets, and added incentives such as a bonus to the basic procurement price for beets that are high in sucrose content. Harvesting began in mid-September.

USDA analysts estimated the crop in early August at about 85 million tons—well up from last year's 77.9 million tons, but still well below trend —due to unfavorable weather at that time. Weather has improved since August, and, if it holds until completion of the harvest at the end of October, that estimate may be boosted.

The planned level of sugar production is 9.4 million tons, refined basis. In recent years the Soviets have processed about 85 percent of beet output into refined sugar at an extraction rate of around 11.5 percent. USDA estimates Soviet refined sugar output from the 1975 crop at 8-8.5 million tons.

Total area planted was increased to 9.1 million acres—200,000 acres more than 1974's and the most since 1967. Four million of those acres were planted in the Russian Socialist Federation of Soviet Republics (RSFSR) and 4.4 million acres were sown in the Ukraine.

The amount of mineral fertilizer allocated to sugarbeets was increased substantially to 7 million tons in 1975, from the 4.7 million tons applied in 1974. Farmers were told not to divert this fertilizer to other crops, which implies that this has been a problem in the past.

In the RSFSR, plans for 1975 called for utilizing 15 quintals of mineral fertilizer per hectare (1,338 lb per acre), compared with the 10.26 quintals applied in 1974. Plans in the Ukraine called for 17.5-25 quintals per hectare in 1975, compared with 15.1 quintals utilized on sugarbeet areas the previous year.

The expanded inputs have been accompanied by generous doses of technical advice on planting and care of sugarbeets. Farmers have been advised to meet optimum density norms for sugarbeet plants — 34,400-36,425 per acre.

Beet growers and handlers were advised to avoid past problems, including: Digging up beets too early; losses during transport; improper storage; not cultivating the fields according to prescribed team-work methods; using hand labor instead of mechanical labor; and poor coordination among producers, procurers, and processors.

Factory managers were criticized for not being attentive enough to the quality of the beets received, and for not operating at full capacity.

In addition to the increased inputs to raise production, the Soviet Union provided several material incentives. The most important was the bonus to the basic procurement price for delivery of beets high in sucrose content. A new system is being tried, whereby, for each percentage point of sucrose content exceeding the established norm, processing factories pay a 1-ruble-per-ton bonus[1] over the procurement price.

The basic procurement price itself, however, has not been changed. Prices still remain at the level established in a 1972 decree, which included a 50-percent premium for above-plan sales. The average farm price received, including premiums, was 35 rubles per ton in 1973, the latest year for which figures are available.

Another material incentive to sugarbeet farmers this year involved mixed feed purchase privileges. If farms deliver above-plan amounts of beets, they will be given the privilege of buying a quantity of mixed feed above their regular allotment, probably at a reduced price.

This privilege is more significant than it may first appear to Western observers. There is no Soviet market for farm inputs, so collective and State farms can only count on their officially alloted amount of such inputs as mixed feed.

Another incentive program involves supplementary payments by sugar processing factories to farms. This appears to be an entirely new program. Beginning with the harvest this year, sugar factories will pay State farms and other State agricultural enterprises (for payment in turn to workers) 1 ruble for each ton of beets sold to the State.

In addition, for every above-plan ton of beets delivered to the factory from a given team of workers, 2 rubles are entered into the team's account at the factory. The money is later distributed to workers according to some formula of the amount of labor spent on sugarbeet raising.

Another material incentive to boost sugarbeet output involves an extension into 1975 of a 1965 decree permitting preferentially priced sugar sales to sugarbeet farms and their employees.

For the present harvest, a dispatcher system in the Ukraine has been instituted whereby sugarbeet transport equipment is allocated as needed, regardless of its actual administrative home base.

The harvest in the Ukraine began in non-high-yielding areas around September 10, and in high-yielding areas, on about September 25. The harvest is scheduled to be completed by October 25. —By LINDA A. BERNSTEIN, ERS

[1] **One ruble = U.S. $1.44.**

East European Grains

Continued from page 7

tons, and consist mainly of U.S. corn and sorghum.

While Poland does not expect to receive any grain from the USSR, it apparently is counting on Soviet financing for purchases from other sources.

Romania's 1975 grain crop, now estimated at just under 13 million tons, would be slightly less than the low levels achieved during the past 2 years, and far below the record 16.9-million-ton outturn in 1972. Wheat production, now estimated at 4.9 million tons, will fall short of domestic requirements.

Wheat imports have averaged about 150,000 tons in the past 3 years, but the 1975/76 figure may reach 500,000 tons. Romania has already purchased almost 100,000 tons of soft winter wheat from the United States.

Feedgrain imports, almost exclusively corn, should at least equal last year's 700,000 tons and may well reach 1 million tons. Practically all of Romania's feedgrain imports during 1975/76 are expected to be U.S. corn. To date, Romania has purchased 300,000 tons of U.S. corn for 1975/76 delivery

—By KENNETH L. MURRAY, FAS

CROPS & MARKETS

—GRAINS • FEEDS • PULSES • SEEDS—

French Corn Estimate Lowered. The French Cereals Board (ONIC) on September 30 estimated the 1975 corn crop at 8.5 million metric tons, somewhat down from earlier estimates. French corn yield prospects vary considerably according to region, and it is still too early to make a final estimate.

Winter Grain Seeding in the USSR. As of September 29, winter grains in the USSR had been seeded on 29.1 million hectares, 84 percent of the plan of about 35 million hectares. Seeding was in progress in the southern Ukraine and in the southern parts of the north Caucasus region. Recent travelers report newly planted winter grains were doing well in the important winter grain areas of the central Black Soil zone, the north Caucasus, and the eastern Ukraine. However, subsoil moisture was low in some areas. Timely rains were falling in Krasnodar Kray, where it reportedly had been very dry, and the rain was badly needed for germination of grain being seeded.

Rotterdam Grain Prices and Levies. Current offer prices for imported grai nat Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Oct. 10	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	6.02	+11	(1)
USSR SKS-14	(1)	(1)	(1)
French Feed Milling [2]	3.53	−12	(1)
U.S. No. 2 Dark Northern Spring: 14 percent	5.31	− 4	6.50
U.S. No. 2 Hard Winter: 13.5 percent	5.10	−15	6.40
No. 3 Hard Amber Durum	6.67	−24	8.10
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	4.45	−11	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	3.40	− 1	4.20
French Maize [2]	3.45	− 4	(1)
Argentine Plate corn	3.81	−11	4.31
U.S. No. 2 sorghum	3.34	+ 2	4.13
Argentine-Granifero sorghum	3.37	0	4.13
U.S. No. 3 Feed barley	3.45	− 7	(1)
Soybeans:			
Brazilian	6.18	+ 6	(1)
U.S. No. 2 Yellow	5.97	+ 8	8.46
EC import levies:			
Wheat	.47	+25	0
Corn	.52	− 5	0
Sorghum	.60	+13	0

[1] Not quoted. [2] Basis c.i.f. west coast, England
NOTE: Price basis 30- to 60-day delivery

PRC Sows Mexican Wheat Varieties. In order to increase total grain production in the subtropical areas of the People's Republic of China, wheat is being increasingly sown after the late rice crop has been harvested in the fall. The wheat crop is harvested in the spring, after which the land is planted to early rice. In addition to cultivating its own fine strains of wheat, the PRC introduced more than 30 varieties of Mexican wheat in 1972, and additional Mexican varieties were planted in 1973. More than 15,000 acres were planted to Mexican wheats in Kwangtung Province in 1973. Despite some shortcomings, results after 2 years of experimental planting have been quite encouraging, with the Mexican wheats outyielding local strains by about 6.5-10 bushels per acre.

Australian Wheat Team Visits Far East. An Australian Wheat Board team is visiting South Korea, Japan, and Taiwan in October for annual talks with flour millers and Government agencies. Reportedly, this is not a selling missing but a regular consultative goodwill visit to exchange information on wheat availability and prospective demand in the three countries visited.

—DAIRY • POULTRY—

EC Reduces Turkey Parts Levy. The European Community Commission on September 20 reduced the supplementary levy (in units of account per 100 kilograms) from 30 to 0 on turkey halves and quarters, from 30 to 20 on turkey drumsticks, and from 90 to 80 on turkey thighs. The new levies for the German market in equivalent cents per pound (with previous levies in parentheses) are: Halves and quarters, 0 (16.6); drumsticks, 11.1 (16.6); and thighs, 44.3 (49.9). The supplementary levies in cents per pound reflect a 10 percent depreciation in the value of the German mark since the beginning of the previous quarter.

U.S. Poultry Meat Exports Up. U.S. exports of chilled and frozen poultry meat totaled 130 million pounds in the first 8 months of 1975, an increase of 6 percent over the 123 million pounds shipped in the same period of 1974. Value was up 41 percent.

The rate of gain in the volume of exports has changed significantly in recent months, compared with the corresponding period of 1974. Through July, poultry meat exports totaled 112 million pounds, compared with 110 million pounds in the comparable 1974 period. Exports to the European Community were 23 million pounds, compared with 19 million pounds in the year-earlier period—an increase of 18 percent. The gain in shipments to the EC is almost entirely in whole turkeys and poultry livers.

The high and frequently changing EC supplementary levies on imported poultry meat have kept these U.S. exports to EC countries at a relatively low level. Of total January-August U.S. poultry meat exports, EC countries received only 18 percent, with West Germany receiving 66 percent of the EC total. Turkey meat exports to the EC make up 82 percent of all U.S. poultry meat exports to that area. Other important U.S. poultry meat markets in the EC are Italy, which took 17 percent of the total; the United Kingdom, 11 percent; and the Netherlands, 4 percent.

Hong Kong took 12 percent of 1975 U.S. poultry meat exports through August, although at 16.5 million pounds, this market is down 20 percent from the year-ago level.

Japan imported 11 percent of 1975 U.S. poultry meat exports in the first 8 months. However, Japan's imports at 14.7 million pounds are 17 percent below the comparable 1974 level.

Caribbean countries took 36.8 million pounds of U.S. poultry products through August—an increase of 28 percent over the year-earlier level.

Chicken parts account for most of the U.S. poultry meat trade with Hong Kong, Japan, and Caribbean countries.

LIVESTOCK • PRODUCTS

EC Changes Beef Import-Export Rules. The U.S. Agricultural Attaché in Brussels reports the European Community Commission has changed the export-import system for beef. Under the revised system, 2 kilograms of beef can be imported for every kilogram exported (without subsidy).

The Commission also has changed the coefficients for boneless beef. For purposes of determining import allocations, 80 kilograms of boneless beef are now considered equal to 100 kilograms of carcass beef exported. Under the previous system, only 60 kilograms could be imported. The importer will be issued two licenses under the revised system. Each license will be equal to the amount exported. The first license can be used 1 to 2 weeks after application is made. The second license cannot be used until the third month following the date of aplication. The fee for the license will be equal to or greater than the import levy set by the Commission.

This change in the system will introduce a degree of uncertainty for traders because the second license might not be applicable until 5½ months after the use of the first license, but the levy fee will be the same for both licenses.

The Commission notes that about 27,000-30,000 tons of beef were licensed for import under the previous system, and it estimates that up to 60,000 tons may be licensed under the new plan although only 30,000 tons may enter during calendar 1975.

The Commission opened a new quota for 30,000 head of feeder cattle for the period October 1-December 31, in addition to the previous quota of 45,000 head. The Commission also announced that the quota of 5,000 head of Alpine cattle per month will continue until the end of 1975.

Major beef exporters complain that the system gives unfair advantage to East European countries. On this point, the Commission states that it does not have the latest import statistics. West Germany and Ireland are also expected to protest because they hold large stocks of intervention beef.

U.S. Meat Import Estimate Unchanged. USDA on October 1 estimated 1975 imports of meat subject to the Meat Import Law at 1,180 million pounds. This fourth quarterly estimate is the same as those of March 31 and July 3, and is below the quantity that would trigger imposition of import quotas.

Public Law 88-484 provides that if yearly imports of certain meats—primarily frozen beef—are estimated to equal or exceed 110 percent of an adjusted base quantity, quotas are to be imposed on imports of these meats. The adjusted base quantity for 1975 is 1,074.3 million pounds. The amount of estimated imports that would trigger imposition of quotas in 1975 is 1,181.7 million pounds. Imports of meat subject to the Meat Import Law totaled 706 million pounds for the first 7 months of 1975, 91 million pounds more than imports during the same period last year. For all of 1974, imports of meat subject to the Law totaled 1,079.1 million pounds.

OILSEEDS • PRODUCTS

Brazilian Soybean Estimate Revised. Brazil's 1976 soybean crop, to be planted in November-December, is now projected by FAS at 11.5 million metric tons (423 million bushels)—750,000 tons (28 million bushels) above the previous projection and 70 million bushels above the 1975 volume. The projection has been revised because of expected increases in area resulting from improved soybean prices, frost in the coffee areas of Paraná and São Paulo, and dry weather in São Paulo that could result in some shift from cotton acreage to soybeans.

Crushings from the 1976 crop are now projected at 5.4 million tons, 490,000 tons above the previous FAS projection. The 1976 soybean export projection remains unchanged at 5 million tons.

The current forecast of soybean oil exports has been increased by 50,000 tons to 300,000 tons. Soybean meal exports are projected at 3.4 million tons, 350,000 tons above the previous forecast.

Brazil's exports of soybeans and meal (soybean basis) for the 1976 crop year, and projected at almost 340 million bushels—more than 50 million bushels above this year's forecast and more than 120 million bushels above 1974's exports.

BRAZIL: SOYBEAN SUPPLY AND DISTRIBUTION
[In million metric tons]

Item	1972[1]	1973[1]	1974[1]	Forecast 1975[1]	Projection 1976[1]
Soybeans:					
Production	3.66	5.00	7.50	9.60	11.50
(In million bushels)	(135)	(184)	(276)	(353)	(423)
Seed and Waste, 8 percent	.29	.40	.59	.77	.92
Exports	1.02	1.79	2.86	4.00	5.00
(In million bushels)	(38)	(66)	(105)	(147)	(184)
Estimated crush	2.35	2.60	4.02	4.83	5.38
Estimated stock change	.00	+.21	+.03	.00	+20
Meal:					
Production, 79.5 percent	1.87	2.07	3.19	3.84	4.28
Exports	1.54	1.37	2.41	3.00	3.35
Apparent domestic disappearance	.33	.70	.78	.84	.93
Oil:					
Production, 17.7 percent	.41	.46	.71	.85	.95
Exports	.06	.08	.02	.26	.30
Apparent domestic disappearance	.35	.38	.55	.63	.68
Estimated stock change	.00	.00	+.14	−.04	−.03

[1] Marketing year beginning April 1.

FRUIT • NUTS • VEGETABLES

Mushroom Canners Seek Import Relief. The U.S. mushroom canning industry has petitioned the International Trade Commission for an investigation of imports of canned mushrooms into the United States. The investigation would be conducted under Section 201 of the Trade Act of 1974.

Imports of canned mushrooms into this country have been a problem since the early 1960's. The industry has sought import relief on a number of occasions, but without success. The principal foreign suppliers to this market are Taiwan and the Republic of Korea. In recent years, a number of countries in Latin America have become more prominent in the U.S. market. Among these are Costa Rica, Ecuador, Mexico, and the Dominican Republic.

EC Sets Hop Subsidy for 1974 Crop. The European Community's Common Agricultural Policy for hops, adopted July 26, 1971, provides for a subsidy per hectare of hops, differentiated by variety. The first of these subsidies was established for the 1971 harvest. On September 30, 1975, the EC Commission proposed the following 1974 subsidies in units of account (1 unit of account = $1.26) per hectare. The payments granted for hops harvested in 1973 are listed in parentheses: Hallertauer, 400 (250); Northern Brewer, 150 (150); Brewers Gold, 150 (100); Record, 600 (650); Hersbrucker Spot, 300 (200); Huller Bitterer, 300 (200); Tettnanger, 100 (200); Bramling Cross, 250 (100); Progress, 650 (750); Keyworth's Midseason, 500 (750); Fuggles, 700 (550); Whitbread Golding Variety (WGV), 700 (750); Alliance, 750 (750); Tutsham, 750 (750); Strisselspalt, 600 (450); Tardif de Bourgogue, 600 (200); Spalter, 200, (100); Goldings, 100 (not included in program); Soaz, 400 (100).

SUGAR • TROPICAL PRODUCTS

St. Kitts Promotes Sugar. Declining production and several other problems have prompted the Government of St. Kitts to establish the Sugar Industry Rescue Operation, a publicly financed effort to put the industry back on its feet. In 1974, the Government moved to acquire all private estates through the Sugar Estates Land Acquisition Act. The legality of this law and the actions taken by Govermnent pursuant to it are being contested by landowners and the final outcome is still uncertain.

Sugar remains the lifeblood of the St. Kitts economy, although until the record world prices of 1974/75 its contribution to the gross domestic product was steadily declining. Diminishing acreage, labor problems, and continuing drought conditions have resulted in a 1975 crop of only 25,000 metric tons of sugar compared with the average of 35,000 tons for 1965/66-1969/70.

Sugar Production Up in Greece. Sugar production in Greece for 1975-76 is reportedly up about 50 percent over the previous year's 187,000 metric tons (raw value). The increase is a result of enlarged refining facilities and a corresponding increase in acreage. This development would make Greece self-sufficient in sugar except for the 35,000 tons required annually by the fruit and jujce industries for products exported. Further expansion scheduled for next year should supply this additional demand adequately.

COTTON

Central American Cotton Outturn Down. Area planted to cotton in four Central American countries declined about 18 percent in 1975/76 to 780,000 acres, and production is forecast to drop 11 percent to 1.25 million bales, according to U.S. Agricultural Attaché reports. The decline in area was prompted by rising input costs and depressed world prices that made cotton production unattractive, especially in Guatemala and Nicaragua. In El Salvador and Honduras, cotton area was also directly or indirectly limited by Government policies that restricted production to certain localities and specific types of property. Lower outturn in the larger producing countries, although somewhat countered by high carryover stocks, should cause a slight decrease in 1975/76 exports from last season's 1.4 million bales.

Japan's Cotton Mill Recovery Slow. Some improvement in Japanese mill consumption of cotton is expected in 1975/76. With inflation slowly being brought under control and the Government now considering reflationary policies, the outlook is for a slow improvement in consumer demand in 1976. Even so, imports could be somewhat less than during 1974/75. As of August 1, Japanese spinners, uncertain of future demand, had purchased only 40 percent of their estimated 1975/76 requirements.

As the world's largest raw cotton importer and single largest U.S. customer, Japan felt the full effects of the worldwide textile recession in 1974/75. Raw cotton consumption fell 20 percent to 2.9 million bales, the lowest since 1958 and imports were down 13 percent to 3.2 million bales. Imports from the United States declined by more than 200,000 bales but represented 34 percent of the total, down only slightly from 35 percent the previous season.

CORRECTION: "A Look at Three Far Eastern Markets for U.S. Produce," September 15, 1975, issue, pages 6 and 7: We are advised that the British Columbian fruit industry bears the entire cost of promoting its apples in the Hong Kong market.

Other Foreign Agriculture Publications

- Poultry and Egg Situation During 1974 and Outlook For 1975 in Major Commercial Countries (FPE 3-75)
- 1975 World Milk Production Up 1 Percent to New Record (FD 6-75)
- Canned Fruit Prices in the Netherlands, West Germany, and the United Kingdom (FCAN 5-75)
- Near-Record World August 1 Cotton Carryover (FC 14-75)
- Japan's Fast-Food Industry—Export Potential for U.S. Products (FAS M-268)

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Caribbean Offers Farm Export Opportunities

Continued from page 9

Barbados. The most easterly of the Caribbean Islands, Barbados is one of the world's most densely populated areas, with almost 1,500 people per square mile. Here too, a trade imbalance has caused the Government to limit food imports when possible, although Barbados must continue to import a large part of its food needs. But because processing capability is limited, most products must be imported in finished form.

In 1974, U.S. farm exports to Barbados amounted to $7.4 million, with consumer-ready goods accounting for an important 62 percent of the total. Value leaders were meat and meat products and chicken parts. Although Barbados is a heavy importer of U.S. chicken parts for the local population, red meats are imported largely for the tourist industry—the country's leading source of foreign exchange.

Opportunities and problems in exporting to Barbados are similar to those in Jamaica. However, there are some significant differences.

Barbados, for example, is a much smaller market with a much smaller food-processing base—only margarine, dairy products, spaghetti, biscuits, spices, beer and other beverages, and livestock and poultry feeds are processed commercially. Barbados has even less capability for increasing food production, and the economy is much more dependent on tourism and sugar for foreign exchange.

Similarities are: Both countries have severe balance of payments problems, high rates of unemployment, and strong Government involvement in importing. Both require import licenses and severely restrict imports of consumer goods. The tourist trade requires special consideration in both countries, which also are CARICOM members, food deficit, favor importing raw or bulk foods, and place a high priority on increasing domestic food production.

IN BARBADOS, import licenses are granted by the Ministry of Trade, presumably on the basis of the country's needs. Official policy is to ban or restrict imports of consumer-ready products from third countries. In reality, however, many exceptions are made. Sometimes, for example, import licenses are granted after a number of refusals for the same item.

Trinidad-Tobago. Comprised of two main islands, Trinidad-Tobago is located not far off South America's northern coast. Its economy is basically sound and growing, owing largely to unexpected opportunities presented by the energy crisis. Trinidad not only produces petroleum and natural gas, but is the site of two large refineries processing and exporting oil to the United States and other countries.

Also a food-deficit country, Trinidad-Tobago is likely to use these new revenues to increase its takings of U.S. agricultural products, which amounted to $49.9 million in 1974, against $33.6 million in 1973. Of the 1974 figure, just 8 percent were consumer items; and raw products, notably wheat, corn, and cottonseed oil, dominated the trade.

According to an official in the Trade Ministry, four major considerations influence the country's food import policies:

- Protect domestic industries.
- Meet the obligations of international commodity agreements.
- Abide by CARICOM agreements.
- Conserve foreign exchange. In the past year or so, however, this has been of secondary importance, as a result of the country's improved economic position.

Licenses are required for importing most items, and a "negative list" is published listing prohibited products. Generally, the negative list includes items produced domestically or in another CARICOM country. Also, quotas are issued for beef, veal, mutton, and potatoes.

In addition to licenses and quotas, retail price controls also serve to restrict imports. Wholesale and retail prices of basic items are fixed by the Ministry of Industry. Price increases can be passed along, but sometimes it takes months for the Government to act on requests for retail price increases. Thus, when the world price of a commodity is high, it cannot be imported and retailed profitably.

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